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BEFORE THE  
DEPARTMENT OF TRANSPORTATION  
WASHINGTON, D.C.

DEPT. OF TRANSPORTATION  
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Application of

**FLORIDA WEST INTERNATIONAL  
AIRWAYS, INC.**

for frequency allocation (U.S.-Ecuador)

Docket OST-2002-12503 - 5

**APPLICATION FOR FREQUENCY ALLOCATION**

Communications with respect to this application should be addressed to:

Mr. Mansour Rasnavad  
President  
Florida West International Airways, Inc.  
6640 N.W. 22<sup>nd</sup> Street  
Miami, Florida 33102-5752

Marshall S. Sinick  
Charles F. Donley II  
Squire, Sanders & Dempsey L.L.P.  
1201 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004  
Tel: (202) 626-6651  
Fax: (202) 626-6870  
msinick@ssd.com

Counsel for Florida West  
International Airways, Inc.

DATED: June 28, 2002

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DEPARTMENT OF TRANSPORTATION  
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**APPLICATION FOR FREQUENCY ALLOCATION**

Pursuant to the Department of Transportation's ("Department") June 14, 2002, Notice and Subpart C of the Department's Procedural Regulations, Florida West International Airways, Inc. ("FWIA") hereby requests allocation of five weekly roundtrip all-cargo frequencies between the United States and Ecuador permitting FWIA to engage in scheduled foreign air transportation of property and mail between Miami, Florida and Quito and Guayaquil, Ecuador. The information required by the Department's June 14 Notice is set forth below.

Grant of the five weekly frequencies FWIA requests would add a new entrant in the U.S.-Ecuador scheduled cargo market. Approval of FWIA's application would also permit FWIA to much more fully develop and expand its Ecuador cargo services, which have become an important and profitable part of FWIA's cargo services. Unlike many carriers, FWIA has an excellent track record in the United States-Ecuador cargo market and is uniquely qualified to make maximum use of the valuable frequencies the United States obtained from Ecuador in May

2002. Although FWIA is restricted currently to operation of only charter services, it has used these services to maximum advantage. Despite the downturn in economic conditions generally and in U.S.-Latin America air cargo in particular since September 11, 2001, FWIA has continued to operate almost daily charter service between Miami and Quito/Guayaquil—an impressive record by any measure but especially so for a smaller company such as FWIA. During the period January 1 through June 15, 2002, FWIA operated a total of 137 charter flights between the United States and Ecuador—averaging approximately 25 flights per month:

<u>Month</u>	<u>U.S.-Ecuador Roundtrip Flights</u>
January	15
February	26
March	29
April	28
May	27
June 1-15	12

These flights, all of which were operated with FWIA's B767-300 freighter aircraft, transported nearly 12 million pounds of northbound cargo consisting primarily of flowers from Quito and fish from Guayaquil. FWIA transported more than 2 million pounds of southbound cargo during this period from Miami, including consumer electronics parts, personal effects and oil drilling equipment.<sup>1</sup>

FWIA will use its wide-bodied B767-300F aircraft to operate its five scheduled frequencies as well as additional charter flights during peak periods, thus maximizing use of the limited number of available frequencies. Through its extensive operation of charter services to Ecuador, FWIA has gained substantial experience using these highly efficient aircraft to serve both Quito and Guayaquil. FWIA's success in operating its charter services demonstrates that the B767-300F is the appropriate aircraft for the U.S.-Ecuador market, providing the best

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<sup>1</sup> Source: FWIA Statistics

combination of fuel and cost efficiency with high payload capacity and the ability to operate at Quito's high altitude without significant restriction on capacity.

FWIA has also developed in Ecuador the infrastructure necessary to support its new scheduled services. FWIA's representative in Ecuador provides warehousing for its cargo and any necessary operational assistance. FWIA will continue to rely on its agent in operating its scheduled flights. In Miami, FWIA has access to one of the largest and most sophisticated cargo warehouse facilities in the United States. FWIA therefore already has in place, and has been effectively using since last year, the infrastructure required to launch successful scheduled service. FWIA has also developed a cooperative relationship with the Ecuadorian Government and does not anticipate it will experience the difficulties some other U.S. carriers have encountered in beginning scheduled operations to Ecuador. FWIA expects its transition from all charter services to primarily scheduled flights to be seamless and without the difficulty or delay that could cause frequencies to remain unused.

Finally, the Department has recognized previously the significant competitive benefits that flow from authorizing new entrant carriers in the U.S.-Ecuador market, especially when the new entrant will serve the market with dedicated wide-bodied aircraft as FWIA proposes. In awarding U.S.-Ecuador frequencies in 2000, the Department found specifically that a new entrant proposing service with wide-bodied aircraft offered the maximum combination of advantages and should therefore be preferred:

We tentatively view Gemini's proposal as the one that best [maximizes use of the available rights under the agreement while benefiting shippers and promoting competition]. Gemini proposes to offer the shipping public two weekly wide-body turnaround flights between Miami and the Ecuadorian points Quito and Guayaquil. *Its proposed service will offer shippers a substantial degree of capacity on a weekly basis, will be*

*dedicated to the U.S.-Ecuador market, and will introduce a new competitor in the U.S.-Ecuador market.*<sup>2</sup>

FWIA's application offers even more benefits to shippers than those found to be decisive by the Department in 2000. FWIA will offer shippers five, not just two, dedicated flights each week in the Miami-Quito/Guayaquil market with wide-bodied aircraft. In addition, FWIA already has a significant presence in the U.S.-Ecuador cargo market and has the experience required to promptly and successfully inaugurate scheduled service thus ensuring that any frequencies awarded to it will be used to maximum advantage.

In further support of this application, FWIA states as follows:

1. FWIA is a Delaware corporation in good standing whose mailing address is 6640 N.W. 22<sup>nd</sup> Street, Suite 218, Miami, Florida 33102-5752. FWIA holds certificates of public convenience and necessity authorizing it to provide scheduled interstate transportation of property and mail and scheduled foreign air transportation of property and mail to a number of foreign points including Ecuador.<sup>3</sup>

2. FWIA is a citizen of the United States as defined in 49 U.S.C. 40102(a)(15). Mansour Rasnavad, a U.S. citizen, is the President of FWIA. Additionally, U.S. citizens hold 75 percent of the FWIA's voting stock. All members of FWIA's Board of Directors and other managing officers are U.S. citizens.

3. As the Department determined in Order 99-12-7, FWIA is fit, willing and able to provide the proposed service and to conform to the provisions of Title 49 and the rules, regulations and requirements of the Department thereunder. To the extent necessary, FWIA

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<sup>2</sup> *In the Matter of U.S.-Ecuador All-Cargo Frequency Allocation*, Order 2000-9-23, September 25, 2000, p.4 (emphasis added). The Department affirmed the importance of these selection criteria in its final order awarding frequencies to Gemini. Order 2000-10-19, October 23, 2000.

<sup>3</sup> *Application of Florida West International Airways, Inc.*, Order 99-12-7, October 13, 1999.

requests the Department to take official notice pursuant to 14 C.F.R. 302.303(c) of the data on file at the Department which establishes FWIA's fitness to operate the requested frequencies.

4. FWIA requests allocation of five (5) weekly roundtrip all-cargo frequencies between the United States and Ecuador. FWIA will use these frequencies to institute new nonstop scheduled foreign air transportation of property and mail between Miami and Quito/Guayaquil.

Aircraft: FWIA will serve Ecuador with one of two U.S.-registered B767-300F aircraft currently in its fleet. Since the May 30, 2002, agreement does not require application of the bilateral's aircraft substitution formula, FWIA will be able to serve the U.S.-Ecuador market with wide-bodied aircraft exclusively five times weekly. FWIA's state-of-the-art B767-300F aircraft have a capacity of 120,000 lbs. and do not suffer the payload penalty of some narrow-bodied aircraft when operating at high Ecuadorian altitudes. In addition to their large payload capacity, FWIA's B767-300F aircraft are highly cost and fuel efficient, as would be expected from young, twin-engine wide-bodied aircraft. FWIA uses these aircraft exclusively in its current service to Ecuador and has been very pleased with the results. Both of these aircraft comply with 14 C.F.R. 36.

Schedule: FWIA will operate its nonstop Miami-Quito/Guayaquil scheduled services five times weekly on Mondays, Wednesdays, Thursdays, Fridays and Saturdays.<sup>4</sup> During periods in low traffic seasons, FWIA will add stops in Panama City and Lima, southbound, to ensure maximum utilization of its aircraft. The northbound market is consistently

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<sup>4</sup> In FWIA's experience, more than ninety percent of the cargo moving between Ecuador and the United States moves through Miami. Northbound cargo is distributed from Miami via air and surface networks. FWIA utilizes its trucking network to efficiently move freight to U.S. cities beyond Miami, thus permitting FWIA to devote its aircraft to moving freight in the primary market—Miami-Ecuador.

strong and FWIA does not expect to add additional stops on its northbound flights during any part of the year.

Seasonality: FWIA will operate its five frequencies year round, and will supplement its scheduled frequencies with additional charter operations during peak holiday periods. FWIA's strong record of operations in the U.S.-Ecuador market during 2002 provides clear evidence of its ability to maintain a robust schedule, even during periods of economic weakness.

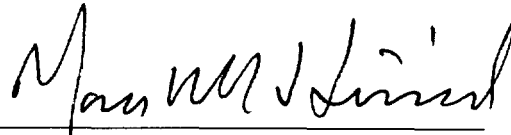
Commencement: FWIA will commence nonstop scheduled all-cargo service between Miami and Quito/Guayaquil within forty-five days of its receipt of all governmental approvals.

5. FWIA submits that grant of the requested frequency allocation is wholly consistent with the terms of the "Minutes of the Meeting" signed in Ecuador on May 30, 2002, by U.S. and Ecuadorian representatives. The May 30 agreement provides for a doubling of the weekly cargo frequencies available to U.S. carriers from fifteen to thirty. The May 30 agreement provides further that the bilateral's aircraft substitution formula will not apply to these frequencies, thus permitting FWIA to operate all five of its requested frequencies with its wide-bodied B767-300F aircraft.

6. Grant of this application will not result in a near-term net annual change in fuel consumption of ten million gallons or more. Approval will not require or result in a major regulatory action by the Department within the meaning of Section 313.4(a)(1) of the Department's regulations.

**WHEREFORE**, Florida West International Airways, Inc. respectfully requests that the Department of Transportation allocate to FWIA five weekly all-cargo scheduled frequencies permitting FWIA to serve Ecuador as more fully described herein, or grant such other relief as the Department deems appropriate.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Marshall S. Sinick", written over a horizontal line.

Marshall S. Sinick  
Charles F. Donley II  
Squire, Sanders & Dempsey L.L.P.  
1201 Pennsylvania Avenue, N.W.  
Washington, D.C. 20044  
(202) 626-6651  
msinick@ssd.com

Counsel to Florida West International Airways, Inc

DATE: June 28, 2002



**CERTIFICATE OF SERVICE**

I hereby certify that one copy of the foregoing Application of Florida West International Airways, Inc. has this day been served on each of the following persons via telecopier, e-mail or first class mail, postage prepaid.

  
Charles F. Donley II

DATED: June 28, 2002

Her Excellency Ivonne A-Baki  
Embassy of Ecuador  
2535 15<sup>th</sup> Street, N.W.  
Washington, D.C. 20009

Robert P. Silverberg  
Silverberg Goldman & Bikoff  
1101 30<sup>th</sup> Street, N.W., Suite 120  
Washington, D.C. 20007  
Counsel for ABX/Kitty Hawk

David E. Vaughn  
Kelley Drye & Warren  
1200 19<sup>th</sup> Street, N.W., Suite 500  
Washington, D.C. 20036  
Counsel for UPS

Steve Lachter  
1150 Connecticut Avenue, N.W.  
Washington, D.C. 20036  
Counsel for DHL and Northern Air Cargo

Nathaniel Breed  
Shaw Pittman  
2300 N Street, N.W.  
Washington, D.C. 20037  
Counsel for Federal Express

James Tello  
P.O. Box 66824  
Washington Square Station  
Washington, D.C. 20035  
Counsel for Air Transport International

Pierre Murphy  
2445 M Street, N.W., Suite 260  
Washington, D.C. 20037  
Counsel for Arrow

John Richardson  
Crispin & Brenner PLLC  
1156 15<sup>th</sup> Street, N.W., Suite 1105  
Washington, D.C. 20005  
Counsel for Amerijet

Jeffrey Manley  
Wilmer, Cutler & Pickering  
2445 M Street, N.W.  
Washington, D.C. 20037-1420  
Counsel for Polar Air

Moffett Roller  
Roller & Bauer  
1020 19<sup>th</sup> Street, N.W., Suite 400  
Washington, D.C. 20036  
Counsel for Gemini

Russ Pommer  
Atlas Air, Inc.  
901 15<sup>th</sup> Street, N.W., Suite 400  
Washington, D.C. 20005

Richard Taylor  
Steptoe & Johnson  
1300 Connecticut Avenue, N.W.  
Washington, D.C. 20036

U.S. Department of State  
Office of Aviation Negotiations  
2201 C Street, N.W.  
Washington, D.C. 20520

National Air Carrier Association  
1730 M Street, N.W., Suite 806  
Washington, D.C. 20036

Federal Aviation Administration  
AFS-20  
800 Independence Avenue, S.W.  
Washington, D.C. 20591

Air Transport Association  
International Department, Suite 1100  
1301 Pennsylvania Avenue, N.S.  
Washington, D.C. 20004

William Evans  
John Mietus  
Verner, Lipfert  
901 15th Street, N.W.  
Washington, DC 20005-2301  
Counsel for Evergreen